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# Department of Justice

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## **25 NEW YORK REAL ESTATE BROKERS PLEAD GUILTY TO RIGGING BIDS AT QUEENS COUNTY COURTHOUSE FORECLOSURE AUCTIONS**

### **One of the Largest Number of Guilty Pleas Ever Filed in a Single Day in Antitrust Division History**

WASHINGTON, D.C. — Twenty-five New York real estate brokers and speculators pleaded guilty today to rigging bids at real estate foreclosure auctions that took place at the Queens County, New York, Courthouse, said the Department of Justice. Today's pleas constitute one of the largest number of guilty pleas ever filed on a single day in Antitrust Division history. Seventeen of the 25 charged also pleaded guilty to felony tax violations.

The Department's Antitrust Division has conducted similar investigations into bid-rigging and other criminal violations in the real estate industry in Northern Virginia and Washington, D.C. resulting in a total of 16 cases and more than \$1.1 million in criminal fines and restitution.

"These conspirators are among the worst kind," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "They have not only cheated other potential bidders out of buying properties at a competitive price, but more importantly, have taken part in a scam that victimizes people who have lost their homes."

In court papers filed in U.S. District Court in Brooklyn, the Department's Antitrust Division charged that during various periods from November 1986 to February 1997, the defendants rigged bids by agreeing not to bid against each other at public real estate foreclosure auctions at the Queens County Courthouse. The bid rigging allowed the conspirators to buy auctioned houses at artificially low prices and deprived mortgage holders, lienholders, and homeowners of the full value of the auctioned properties. The 25 defendants are real estate brokers and speculators located on or around Hillside Avenue in Jamaica, Queens.

At the public auction, one conspirator would bid on behalf of the group. After the public auction, the conspirators would hold a second, private auction open only to the conspirators. At the second auction, the conspirators would actively bid against each other on the foreclosed property at prices higher than the price paid by the conspirators' winning bidder at the public

auction. The highest bidder at the private auction would win the property and then make "commission" payoffs to the other conspirators to compensate them for not bidding at the public auction. The winning bidder at the public auction would then assign his right to purchase the property to the winning bidder at the private auction. The sum of the "commission" payoffs was the difference between the prices paid at the public auction and the private auction and represented money lost to mortgage holders, lienholders, and homeowners.

All 25 defendants are charged with bid rigging in violation of the Sherman Antitrust Act. The following eight defendants are charged only with bid rigging:

- Danny Abrishamian a/k/a "Kamran Abrishamian" of Roslyn Heights, NY
- Ted Adeli a/k/a "Kamal Adeli" of Bayside, NY
- Yoram Eliyahu of Flushing, NY
- Farshad Haghi a/k/a Fred Haghi of Jamaica Estates, NY
- Steve Manesh a/k/a Saeed Pirouzmanesh of Floral Park, NY
- Cyrus Niknamfard a/k/a Kouroush Niknamfard of Great Neck, NY
- Lisa Parvin of Fresh Meadows, NY
- Firooz Tehranchipour a/k/a Chris Tehranchipour of Westbury, NY

The following 13 defendants are charged with bid rigging and filing a false tax return:

- Joseph Attarian a/k/a/ Joseph Pourattarian of Great Neck, NY
- Glen Bakhshi of East Hills, NY
- Ramin Baratian a/k/a Robert Barat of Great Neck, NY
- Steve Bloor a/k/a Saeed Bloorian of Roslyn Heights, NY
- Henry Khani a/k/a Houshang Khani of Little Neck, NY
- Kevin Khani a/k/a Khosrow Khani of Red Bank, NJ
- John Khani a/k/a Johangir Khani of Old Brookville, NY
- Daniel Kimia a/k/a Farzin Kimiabakhsh of Great Neck, NY
- David Kimia a/k/a Faramarz Kimiabakhsh of Great Neck, NY
- Maurice Kohan a/k/a Mooris Kohanbash of Great Neck, NY
- Joseph Makhani of Kings Point, NY
- David Manesh a/k/a Hamid Pirouzmanesh of New Hyde Park, NY
- Joseph Rastegar of Great Neck, NY

In addition to the bid-rigging charge, the following four defendants are charged with tax evasion:

- Albert Babajanian of Roslyn Heights, NY
- Kevin Shahkahi a/k/a Kamran Shahkahi of Great Neck, NY
- Alex Yasrabi a/k/a Akbar Yasrabi of Queens, NY
- Itzchak Zivari of Roslyn Heights, NY

The ongoing investigation into bid-rigging and other criminal violations in the real estate industry is being conducted jointly by the Department's Antitrust New York Field Office and the office of U.S. Attorney Zachary W. Carter of the Eastern District of New York, along with substantial assistance from the FBI and IRS.

The maximum penalty for an individual convicted of a Sherman Act bid-rigging violation is three years imprisonment and a fine the greatest of \$350,000, twice the gain derived from the crime, or twice the loss suffered by the victims of the crime.

The maximum penalty for an individual convicted of filing a false tax return (26 U.S.C. § 7206(1)) is three years imprisonment and a fine the greatest of \$250,000, twice the gain derived from the crime, or twice the loss suffered by the victims of the crime.

The maximum penalty for an individual convicted of tax evasion (26 U.S.C. § 7201) is five years imprisonment and a fine the greatest of \$250,000, twice the gain derived from the crime, or twice the loss suffered by the victims of the crime.

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